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DEPT FOR IO/T AND ISN

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TAGS: [PARM](#) [KNPP](#) [AORC](#) [IAEA](#) [IR](#)

SUBJECT: IAEA/IRAN: DG TELLS STEINMEIER IRAN NOT READY TO ENGAGE P5+1

REF: UNVIE 31 AND PREVIOUS

Classified By: Ambassador Gregory L. Schulte for Reasons 1.4 b, d, h

Summary

¶1. (S) Summary: DG ElBaradei did most of the talking in his January 17 meeting with German FM Steinmeier and made a hard sell against passage of a punitive UNSCR, which he argued would empower hardliners in Iran. Steinmeier pushed back and also made strong public comments underscoring the international community's resolve. ElBaradei told the Germans that his audience with Khamenei was the main accomplishment of his Tehran trip. He assessed that Iran was not prepared to consider the P5 1 offer and saw engagement with the Agency as an alternative. The work plan was "at the finish line," and the Secretariat is prepared to discuss weaponization issues. ElBaradei also reiterated his claim that Iran is willing to widen the scope and raise the level of trilateral talks on Iraq. The Germans expect that UNSCR elements will be the first order of business at the Berlin Ministerial and also anticipate discussion of overall Iran strategy. End Summary.

Meeting the Supreme Leader

¶2. (C) German Ambassador Gottwald provided Ambassador Schulte a readout of FM Steinmeier's January 17 meeting with DG ElBaradei. Steinmeier had communicated his expectations to ElBaradei prior to the DG's Tehran trip and decided to come to Vienna in advance of the January 22 P5 1 Berlin Ministerial. In comments to the press before meeting ElBaradei, Steinmeier underscored the need for Iran to "resurrect international confidence" and the international community's resolve to prevent the development of nuclear weapons technology in the region.

¶3. (S) During their one-hour meeting, ElBaradei underlined his dissatisfaction with the current situation, which he believed was heading in the "wrong direction." He saw his audience with the Supreme Leader as the main accomplishment of his trip and the reason for going. The Iranians had offered the meeting with Khamenei, and ElBaradei could not refuse. Up until now, he could not be sure that Secretariat views were transmitted to the Supreme Leader. This was also the DG's first meeting with Ahmadinejad, who was notably

unlike his public persona, well-prepared, reasonable and well-behaved.

P5 1 Offer Not Tempting Enough

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**¶4.** (S) ElBaradei assessed that the Iranian leadership was not prepared to "take the hand of the devil" and take advantage of the P5 1's offer. Iran continues to view suspension with suspicion and as a codeword for dismantlement. National pride remains an impediment, and Iran has all but withdrawn from engagement with the P5 1. The DG admitted, however, that the Iranians find the offer attractive on its merits, "an apple in paradise," but are unwilling to partake of the forbidden fruit. Gottwald did not get the impression that the DG had made a particularly strong presentation to the Iranians.

**¶5.** (S) According to ElBaradei, Iran viewed engagement with the Agency as a better alternative and a means to sidestep the P5 1. At the same time, the Iranians understood that they needed to address present, not just past, issues with the IAEA. ElBaradei characterized the work plan as at the "finish line" with most issues more or less completed. He was confident the Secretariat had assembled a good dossier on weaponization issues and would soon endeavor to get answers from Iran. The DG also recounted his visit to the advanced centrifuge facility with Safeguards DDG Heinonen (septel). He reported that Iran was prepared to test prototypes of the advanced centrifuge at the Pilot Fuel Enrichment Plant (PFEP) at Natanz sometime in the near future but downplayed the program as at an early stage of development in a process that would take two to three years. (Note: More details to follow in septel). Iran was continuing research but was not close to the enrichment capacity needed for a bomb, he noted.

UNSCR Will Empower Hardliners

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**¶6.** (S) The DG made a strong pitch against seeking a third Security Council resolution at this juncture. He argued that hardliners within the Iranian leadership would use it as a pretext to withdraw any cooperation or make any admissions, and that passage of a UNSCR would empower them in the run up to the March parliamentary elections in Iran. Steinmeier pressed the DG on this point, asking whether just the opposite could be true, i.e. that failure to pass a resolution would hand hardliners a victory. ElBaradei changed his tone saying that if there were a Security Council resolution, it should stress engagement and return to the negotiating table, rather than sanctions.

**¶7.** (S) Steinmeier also asked the DG's assessment of trilateral U.S.-Iran-Iraq talks. The DG claimed that Iran was keen to widen the scope and raise the level of these talks, and felt it had something to offer, including its influence over Sadr. ElBaradei observed that countries in the region were making friendlier noises and were coming to the realization that they must live with Iran. U.S. engagement with Iran would also reap regional benefits, he noted.

Expectations for the Ministerial

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**¶8.** (S) The Germans expect that the first order of business at the Berlin Ministerial will be finalizing UNSC resolution elements since PolDirs have not come to agreement. Ministers had also agreed to discuss overall strategy, and Berlin hoped to jump start the process at this difficult moment.